

RCCI Simplified Accounting for the USDA Child Nutrition Program Food Service Account

The simplified accounting ledger shows expenses equal to the revenue reported. Other expenses are paid for by a different fund. This simplifies accounting and doesn't require a fund transfer to the food service account.

The USDA Child Nutrition Program Food Service Account does not require a separate bank account. However, it must have a separate ledger that shows revenues and expenses related to the food service account. During an Administrative Review (AR), DPI will ask to see this separate ledger to verify funds are being utilized according to USDA regulations.

Elements of the Simplified Accounting Method:

Each month:

- Record food revenue (reimbursements)
- Record food expenses
 - If Vended Meal Agreement or Food Service Management Company (FSMC) – number of meals received multiplied by per meal cost in FSMC contract = Total Food Expense
 - If Self-Operating – number of meals prepared multiplied by per meal cost = Total Food Expense

If revenue exceeds expenses:

- Record the monthly labor amount that you wish to charge to the food service account.
 - allocate a particular employee's labor for the amount that brings the food service balance to \$0.00. The employee's remaining labor is paid for by another fund.
 - To Calculate - Total School Food Revenue minus Food Expenditures = amount of total labor expense needed to bring the account to \$0.00

If expenses exceed revenue:

- A fund transfer from another account will be required to cover the deficit. This transfer can be done monthly or at the end of the year.